

# INVESTMENT UPDATE

Year ended 30 September 2008

# INTRODUCTION

The following products are part of this Investment Update:

- Advance Asset Investment Bond
- Assurety Investment Policy
- Assurety Plans
- Blue Ribbon Executive – Savings
- Blue Ribbon Investment Bond
- Blue Ribbon Plus – Savings
- Blue Ribbon Series – Savings
- Bond – Unit Linked
- Bond – Unit Linked (Multibond)
- Capital Guaranteed Bond
- Growth Bond
- Health Invest Salary Sacrifice
- Investment Account Series B
- Investment Account Series C
- Ordinary Unit Linked Bond
- Ordinary Assurety Bond
- Passport Ordinary
- Personal Achievement Bond
- Personal Achievement Plan
- Prestige Investment Bond
- Regular Premium – Unit Linked
- Regular Premium Plan – Savings
- TOWER Managed Investment Bond
- TOWER Savings Account
- Unit Linked Bond
- Unit Linked Bond (Multibond)
- Unit Linked Bond – Series B
- Unit Linked Regular Premium

## DIRECTORY

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### Terms used in this Investment Update

ABN	Australian Business Number
AFSL	Australian Financial Services Licence
EST	Eastern Standard Time
pa	per annum
FOS	Financial Ombudsman Service
'we', 'us', TOWER	TOWER Australia Limited
'you', 'your', 'Customer'	the Customer

Prepared and issued – December 2008

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# CEO's MESSAGE

Dear Customer,

I'm pleased to provide you with the Investment Update for the year ended 30 September 2008, and hope you find it informative.

## A turbulent year

As you will know this has been a challenging year for investment and other financial markets. Conditions in investment markets have been very difficult and generally fund balances have been adversely affected by this.

Pleasingly actions by governments and regulators globally are intended to rebuild some stability and we hope that over time market confidence will build and asset values begin to increase again.

In Australia, we've seen the Reserve Bank lower interest rates and the Government move to endeavour to restore confidence in the economy. While the commitment of governments to stabilise the world economy has been received positively, the current market turmoil is a reminder to all that while a global economy can provide businesses with many opportunities, it can also create new risks.

In spite of the market volatility, we urge you to consider your long term investment strategy and to consult your financial adviser before making changes to your investments.

Many leading fund managers have posted negative returns for the past 12 months. In such times, it is reassuring to know that

your investment is being managed by a leading and highly respected multi manager. TOWER's investment options are managed by Russell Investment Management Ltd (Russell). Russell is the world's largest multi manager and is the only multi manager within Australia to be rated by Lonsec, an independent researcher, as 'Highly regarded'. Please refer to the investment performance section in this Investment Update for details on each option's performance.

Despite this environment TOWER Group's financial performance has remained strong. This was also highlighted by Standard & Poor's which this year maintained the Rating for TOWER Australia and lifted its outlook for TOWER Australia Group to Positive.

## TOWER's commitment

This performance could not have been achieved without the outstanding commitment of our people. I look forward to the coming year and more opportunities to deliver high quality products and customer service to you.

Thank you for entrusting your funds to us.

We will continue to take close attention to the stewardship of your investments.

Yours sincerely,



**Gavin Pearce**  
CEO Investments  
TOWER Australia Group Limited



Gavin Pearce,  
CEO Investments

# INVESTMENT INFORMATION

## Investment performance

The calculation of investment performance is based on the movement of unit prices for the unit linked investment options over the period reported. The returns shown below are calculated after the deduction of any tax, asset management charge and investment costs attributable to the investment option, and before the deduction of any other fees and the calculation of rebates that may be applicable to your policy. Performance

returns are the annual returns for the investment option as a whole.

Current performance returns are updated at the end of each month and may be obtained by contacting a Customer Service Consultant or visiting [www.toweraustralia.com.au](http://www.toweraustralia.com.au) Your individual returns after taking into account transactions throughout the reporting period are detailed in your Annual Statement.

Product Name	Investment Option	Yearly Returns (%) for the Period Ending 30 September					5 Year Compound Average Returns %	Interim Crediting Rate from 1 October %
		2008	2007	2006	2005	2004		
Advance Asset Investment Bond	TOWER Bond Series 1	-12.8	9.5	7.7	9.1	8.8	4.1	n/a
	TOWER Bond Series 2	-13.1	9.1	7.3	8.8	8.4	3.7	n/a
	TOWER Bond Series 3	-12.8	9.5	7.7	9.1	8.8	4.1	n/a
Assurety Investment Policy"	Capital Guaranteed <sup>1</sup>	3.6	3.7	3.2	3.2	3.3	3.4	3.6
Assurety Plans" <sup>#</sup> Ordinary Assurety Bond"	Regular Premium Plan – Savings							
Blue Ribbon Executive – Savings	Balanced Growth	-13.1	9.2	7.3	8.8	8.5	3.7	n/a
(policies commenced pre June 2001)	Capital Assured <sup>«</sup>	2.4	2.2	2.3	2.3	3.5	2.5	2.4
	Capital Guaranteed <sup>&lt;1</sup>	2.0	2.1	1.6	1.6	1.7	1.8	2.0
Blue Ribbon Plus – Savings	Cash	3.7	3.0	2.3	2.4	2.6	2.8	n/a
	Conservative Balanced	-9.3	7.3	5.8	7.2	7.2	3.4	n/a
	Growth Maximiser	-15.7	10.3	8.6	9.8	9.0	3.9	n/a
	Security Focus	-4.6	4.5	4.1	5.1	5.3	2.8	n/a
Blue Ribbon Executive – Savings	Balanced Growth	-14.0	8.1	6.3	7.7	7.4	2.7	n/a
(policies commenced from June 2001)	Capital Assured <sup>«</sup>	1.4	1.2	1.3	1.3	2.5	1.5	1.4
	Capital Guaranteed <sup>&lt;1</sup>	1.0	1.1	0.6	0.6	0.7	0.8	1.0
	Cash	2.6	2.0	1.3	1.4	1.6	1.8	n/a
	Conservative Balanced	-10.2	6.2	4.7	6.2	6.2	2.4	n/a
	Growth Maximiser	-16.6	9.2	7.5	8.7	8.0	8.0	n/a
	Security Focus	-5.6	3.4	3.0	4.1	4.2	1.7	n/a

# INVESTMENT INFORMATION

Product Name	Investment Option	Yearly Returns (%) for the Period Ending 30 September					5 Year Compound Average Returns %	Interim Crediting Rate from 1 October %
		2008	2007	2006	2005	2004		
<b>Blue Ribbon Investment Bond</b>	Balanced Growth	-13.1	9.2	7.3	8.8	8.5	3.7	n/a
	Capital Guaranteed <sup>1</sup>	2.0	2.1	1.6	1.6	1.7	1.8	2.0
<b>Blue Ribbon Series – Savings</b>	Cash	3.7	3.0	2.3	2.4	2.6	2.8	n/a
	Conservative Balanced	-9.3	7.3	5.7	7.2	7.2	3.4	n/a
	Growth Maximiser	-15.7	10.3	8.6	9.8	9.0	3.9	n/a
	Security Focus	-4.6	4.5	4.1	5.1	5.3	2.8	n/a
<b>Bond – Unit Linked</b>	Cash	3.6	2.9	2.2	2.3	2.5	2.7	n/a
	Ethical Growth	-24.4	25.4	11.8	18.4	13.1	7.3	n/a
	International Growth	-15.2	0.5	9.7	6.1	3.9	0.6	n/a
	Property Plus	-32.0	12.1	15.4	6.7	17.4	2.0	n/a
	Security Focus	-4.7	4.4	4.0	5.0	5.2	2.7	n/a
<b>Bond – Unit Linked (Multibond)</b>	Balanced Growth	-13.2	9.2	7.0	11.9	9.1	4.4	n/a
	Security Focus	-4.7	3.5	2.3	3.3	2.9	1.4	n/a
<b>Unit Linked Bond (Multibond)</b>								
<b>Capital Guaranteed Bond</b>	Capital Guaranteed <sup>1</sup>	2.0	2.1	1.6	1.6	1.7	1.8	2.0
<b>Growth Bond</b>	Capital Assured <sup>2</sup>	4.0	4.7	5.0	4.3	5.2	4.6	4.0
<b>Health Invest Salary Sacrifice</b> (policies commenced from June 2001)	Assured Caution	-2.2	1.7	1.7	2.9	3.1	1.4	n/a
	Australian Shares	-20.4	21.7	8.3	15.6	12.9	6.5	n/a
	Balanced Growth	-14.0	8.1	6.3	2.7	7.4	2.7	n/a
	Cash	2.6	2.0	1.3	1.4	1.6	1.8	n/a
	Conservative Balanced	-10.2	6.2	4.7	6.2	6.2	2.4	n/a
	Ethical Growth	-25.1	24.3	10.8	17.4	12.0	6.3	n/a
	Growth Maximiser	-16.6	9.2	7.5	8.7	8.0	2.8	n/a
	International Growth	-15.9	-0.4	8.7	5.1	2.9	-0.3	n/a
	Property Plus	-32.6	11.1	14.4	5.7	16.3	1.0	n/a
	Security Focus	-5.6	3.4	3.0	4.1	4.2	1.7	n/a
<b>Health Invest Salary Sacrifice</b> (policies commenced pre June 2001)	Assured Caution	-1.2	2.7	2.7	4.0	4.1	2.4	n/a
	Australian Shares	-19.6	23.0	9.4	16.7	14.0	7.6	n/a
	Balanced Growth	-13.1	9.2	7.3	8.8	8.5	3.7	n/a
	Cash	3.7	3.0	2.3	2.4	2.6	2.8	n/a
	Conservative Balanced	-9.3	7.3	5.8	7.2	7.2	3.4	n/a
	Ethical Growth	-24.3	25.6	12.0	18.5	13.2	7.4	n/a
	Growth Maximiser	-15.7	10.3	8.6	9.8	9.0	3.9	n/a
	International Growth	-15.0	0.6	9.8	6.2	4.0	0.7	n/a
	Property Plus	-31.9	12.2	15.5	6.8	17.5	2.1	n/a
	Security Focus	-4.6	4.5	4.1	5.1	5.3	2.8	n/a
<b>Investment Account Series B</b>	Capital Assured <sup>2</sup>	4.0	4.7	5.0	4.3	5.2	4.6	4.0

Product Name	Investment Option	Yearly Returns (%) for the Period Ending 30 September					5 Year Compound Average Returns %	Interim Crediting Rate from 1 October %
		2008	2007	2006	2005	2004		
<b>Investment Account Series C</b>	Series C <sup>3</sup>	0.0	7.7	9.5	5.0	7.2	5.8	0.0
<b>Ordinary Unit Linked Bond</b>	Conservative Balanced – Initial	-12.1	3.9	2.4	3.9	3.8	0.2	n/a
<b>Regular Premium – Unit Linked</b>	Conservative Balanced – Accumulation	-9.3	7.3	5.8	7.2	7.2	3.4	n/a
<b>Unit Linked Bond – Series B</b>								
<b>Passport Ordinary</b>	Assured Caution	-1.2	2.7	2.7	4.0	4.1	2.4	n/a
<b>Prestige Investment Bond</b>	Australian Shares	-19.6	23.0	9.4	16.7	14.0	7.6	n/a
(policies commenced pre June 2001)	Balanced Growth	-13.1	9.2	7.3	8.8	8.5	3.7	n/a
	Capital Assured <sup>2</sup>	2.4	2.2	2.3	2.3	3.5	2.5	2.4
<b>TOWER Managed Investment Bond</b>	Cash	3.7	3.0	2.3	2.4	2.6	2.8	n/a
(policies commenced pre June 2001)	Conservative Balanced	-9.3	7.3	5.8	7.2	7.2	3.4	n/a
	Ethical Growth	-24.3	25.6	12.0	18.5	13.2	7.4	n/a
<b>TOWER Savings Account</b>	Growth Maximiser	-15.7	10.3	8.6	9.8	9.0	3.9	n/a
(policies commenced pre June 2001)	International Growth	-15.0	0.6	9.8	6.2	4.0	0.7	n/a
	Property Plus	-31.9	12.2	15.5	6.8	17.5	2.1	n/a
	Security Focus	-4.6	4.5	4.1	5.1	5.3	2.8	n/a
<b>Personal Achievement Bond</b>	Capital Guaranteed <sup>1</sup>	3.2	3.3	2.8	2.8	2.9	3.0	3.2
<b>Personal Achievement Plan</b>								
<b>Prestige Investment Bond</b>	Assured Caution	-2.2	1.7	1.7	2.9	3.1	1.4	n/a
(policies commenced from June 2001)	Australian Shares	-20.4	21.7	8.3	15.6	12.9	6.5	n/a
	Balanced Growth	-14.0	8.1	6.3	7.7	7.4	2.7	n/a
<b>TOWER Managed Investment Bond</b>	Capital Assured <sup>2</sup>	1.4	1.2	1.3	1.3	2.5	1.5	1.4
(policies commenced from June 2001)	Cash	2.6	2.0	1.3	1.4	1.6	1.8	n/a
	Conservative Balanced	-10.2	6.2	4.7	6.2	6.2	2.4	n/a
<b>TOWER Savings Account</b>	Ethical Growth	-25.1	24.3	10.8	17.4	12.0	6.3	n/a
(policies commenced from June 2001)	Growth Maximiser	-16.6	9.2	7.5	8.7	8.0	2.8	n/a
	International Growth	-15.9	-0.4	8.7	5.1	2.9	-0.3	n/a
	Property Plus	-32.6	11.1	14.4	5.7	16.3	1.0	n/a
	Security Focus	-5.6	3.4	3.0	4.1	4.2	1.7	n/a
<b>Unit Linked Bond</b>	Balanced Growth	-13.2	9.1	7.2	8.7	8.3	3.6	n/a
	Cash	3.6	2.9	2.2	2.3	2.5	2.7	n/a
	Ethical Growth	-24.4	25.4	11.8	18.4	13.1	7.3	n/a
	International Growth	-15.2	0.5	9.7	6.1	3.9	0.6	n/a
	Property Plus	-32.0	12.1	15.4	6.7	17.4	2.0	n/a
	Security Focus	-4.7	4.4	4.0	5.0	5.2	2.7	n/a

# INVESTMENT INFORMATION

Product Name	Investment Option	Yearly Returns (%) for the Period Ending 30 September					5 Year Compound Average Returns %	Interim Crediting Rate from 1 October %
		2008	2007	2006	2005	2004		
Unit Linked regular Premium	Australian Shares	-19.6	23.0	9.4	16.7	14.0	7.6	n/a
	Balanced Growth	-13.1	9.2	7.3	8.8	8.5	3.7	n/a
	Cash	3.7	3.0	2.3	2.4	2.6	2.8	n/a
	Conservative Balanced	-9.3	7.3	5.8	7.2	7.2	3.4	n/a
	Ethical Growth	-24.3	25.6	12.0	18.5	13.2	7.4	n/a
	Growth Maximiser	-15.7	10.3	8.6	9.8	9.0	3.9	n/a
	International Growth	-15.0	0.6	9.8	6.2	4.0	0.7	n/a
	Property Plus	-31.9	12.2	15.5	6.8	17.5	2.1	n/a
	Security Focus	-4.6	4.5	4.1	4.2	5.3	2.6	n/a

Past investment performance is not a guarantee of future investment performance.

### Important notes

The following footnotes should be read in conjunction with the investment performance figures.

Not all investment options are available to all policyholders. Please refer to your Annual Statement or Policy/Disclosure document for details of the investment options available to your individual policy.

< This investment option is only available to policies which commenced prior to 1 October 1994.

« This investment option is only available to policies which commenced from 1 October 1994.

“ If a casual contribution is made, an Asset Management Charge of 4.2% per annum applies for a period of up to 2 years to the portion of the account balance made up by the casual contribution. The returns shown have not had this asset management charge deducted.

# If your policy is still within its 'Charging Period', an Asset Management Charge of 4.2% pa may apply for the remainder of the 'Charging Period'. Please refer to your Policy/Disclosure document for details on the Charging Period applicable to your Assurety Plan policy. For policies still within the 'Charging Period', the returns shown have not had this Asset Management Charge deducted.

1 The Capital Guaranteed investment option is not unit linked. For this investment option, a declared crediting rate and interim crediting rate is determined each year at the crediting date. These crediting rates are net of taxes and charges. The declared crediting rate is applied to the members' account balances at the crediting date in respect of the year preceding the crediting date. Guarantees applying to the declared crediting rate are outlined in members' original policy documents.

Payments made to members during the period between the application of declared crediting rates from one year to the next have the prevailing interim crediting rate applied to them. This is achieved by applying the prevailing interim crediting rate to the account balance and to any net contributions received from the date they are received, and allowing for any withdrawals made during the period, to the benefit payment date. The interim crediting rate applied during this period can be changed retrospectively at any time, but is guaranteed never to be negative.

2 The Capital Assured Investment option is not unit linked. For this investment option, a declared crediting rate and interim crediting rate is determined each year at the crediting date. These crediting rates are net of taxes and charges. The declared crediting rate is applied to the members' account balances at the crediting date in respect of the year preceding the crediting date. The declared crediting rate is guaranteed never to be negative.

Payments made to members during the period between the application of declared crediting rates from one year to the next have the prevailing interim crediting rate applied to them. This is achieved by applying the prevailing interim crediting rate to the account balance and to any net contributions received from the date they are received, and allowing for any withdrawals made during the period, to the benefit payment date. The interim crediting rate applied during this period can be changed retrospectively at any time, and may be negative if investment returns are poor.

3 The Series C investment option is not unit linked. For this investment option, a declared crediting rate and interim crediting rate is determined each year at the crediting date. These crediting rates are net of taxes and charges. The declared crediting rate is applied to the members' account balances at the crediting date in respect of the year preceding the crediting date. The declared crediting rate may be negative if investment returns are poor.

Payments made to members during the period between the application of declared crediting rates from one year to the next have the prevailing interim crediting rate applied to them. This is achieved by applying the prevailing interim crediting rate to the account balance and to any net contributions received from the date they are received, and allowing for any withdrawals made during the period, to the benefit payment date. The interim crediting rate applied during this period can be changed retrospectively at any time, and may be negative if investment returns are poor.

# INVESTMENT INFORMATION

## Asset allocation

Asset allocations for 30 September 2008 and 2007 for each of the investment options are shown below and have been rounded to the nearest whole percentage point. The actual allocations may vary from time to time due to market fluctuations and investment decisions.

A limited portion of the investment portfolios may be held as cash for liquidity or other investment purposes from time to time. This cash holding is included in the asset class specified in the manager's mandate. For example, a specialist shares manager may hold some cash (within specified limits) and this would be classified as shares.

### Assured Caution

	2008	2007
Australian fixed interest	44%	43%
Australian shares	7%	8%
Cash and short-term securities	22%	21%
International fixed interest	20%	20%
International shares	4%	4%
Property	3%	4%

### Australian Shares

	2008	2007
Australian shares	100%	100%

### Balanced Growth

	2008	2007
Australian fixed interest	21%	19%
Australian shares	35%	38%
Cash and short-term securities	4%	3%
International fixed interest	7%	7%
International shares	25%	24%
Property	8%	9%

### Capital Assured

	2008	2007
Australian fixed interest	42%	39%
Australian shares	9%	11%
Cash and short-term securities	20%	20%
International fixed interest	20%	20%
International shares	5%	5%
Property	4%	5%

### Capital Guaranteed

	2008	2007
Australian fixed interest	90%	90%
Cash and short-term securities	10%	10%

### Cash

	2008	2007
Cash and short-term securities	100%	100%

### Conservative Balanced

	2008	2007
Australian fixed interest	21%	20%
Australian shares	26%	29%
Cash and short-term securities	16%	14%
International fixed interest	15%	14%
International shares	14%	15%
Property	8%	8%

### Ethical Growth

	2008	2007
Australian shares	100%	100%

### Growth Maximiser

	2008	2007
Australian fixed interest	5%	5%
Australian shares	41%	43%
Cash and short-term securities	5%	5%
International fixed interest	6%	5%
International shares	35%	34%
Property	8%	8%

**International Growth**

	2008	2007
International shares	100%	100%

**Property Plus**

	2008	2007
Property	100%	100%

**Security Focus**

	2008	2007
Australian fixed interest	31%	29%
Australian shares	14%	17%
Cash and short-term securities	26%	24%
International fixed interest	15%	15%
International shares	10%	10%
Property	4%	5%

**Series C**

	2008	2007
Australian fixed interest	21%	20%
Australian shares	26%	28%
Cash and short-term securities	16%	15%
International fixed interest	15%	14%
International shares	15%	15%
Property	7%	8%

**TOWER Bond Series 1, 2 & 3**

	2008	2007
Australian fixed interest	21%	19%
Australian shares	35%	39%
Cash and short-term securities	4%	4%
International fixed interest	7%	6%
International shares	25%	24%
Property	8%	8%

If you need further information about asset allocation benchmarks, please contact your Financial Adviser, speak to a Customer Service Consultant or visit the website [www.toweraustralia.com.au](http://www.toweraustralia.com.au)

**Multi-manager investment style**

TOWER's multi-manager investment options are managed by Russell Investment Management Ltd, ABN 53 068 338 974 (Russell). Russell selects the underlying investment managers for its funds and regularly monitors the investment managers ensuring the investment options continue to meet investment objectives.

Multi-manager investing involves selecting quality specialist investment managers from around the world to manage some assets in the investment options. It provides Russell with a wide range of research, superior market information and a broad skill base for investment decision making.

**Labour standards and environmental, social and ethical considerations**

Other than for the Ethical Growth investment option, labour standards, environmental, social, or ethical considerations are not taken into account for the purpose of selecting, retaining, or realising an investment. Underlying investment managers may or may not take these considerations into account.

**Investment in derivatives**

Derivatives such as futures, forwards, options and swaps (as applicable) may be used, within agreed limits, by the underlying investment managers in managing the various asset classes.

TOWER's Derivative Risk Statement (DRS) contains information about our approach to the use of derivatives. If you would like a copy of this, please contact a Customer Service Consultant or visit [www.toweraustralia.com.au/assetmgt/riskmgt.asp](http://www.toweraustralia.com.au/assetmgt/riskmgt.asp) where a copy of the DRS can be accessed.

# INVESTMENT INFORMATION

## TOWER's investment objectives and strategies

Product	Objective	Strategy
Advance Asset Investment Bond	To provide moderate to high investment growth over the long term from a portfolio that invests in a range of asset classes.	To invest in insurance policies which are consistent with the investment objective.
Investment Account Series C Ordinary Unit Linked Bond Regular Premium – Unit Linked Unit Linked Bond – Series B	To provide moderate investment growth over the medium to long term from a portfolio that invests in a range of asset classes.	To invest in insurance policies which are consistent with the investment objective.
Ordinary Assurety Bond Assurety Investment Policy Assurety Plans Capital Guaranteed Bond Personal Achievement Bond Personal Achievement Plan Regular Premium Plan – Savings	To provide income over the short to medium term from a portfolio which invests entirely in defensive asset classes.	To invest in insurance policies which are consistent with the investment objective.
Growth Bond Investment Account Series B	To provide modest investment growth over the medium term from a portfolio that invests in a range of asset classes.	To invest in insurance policies which are consistent with the investment objective.
Blue Ribbon Executive – Savings Blue Ribbon Investment Bond Blue Ribbon Plus – Savings Blue Ribbon Series – Savings Bond – Unit Linked Health Invest Salary Sacrifice Passport Ordinary Prestige Investment Bond TOWER Managed Investment Bond TOWER Retirement Account TOWER Savings Account Unit Linked Bond Unit Linked Bond (Multibond) Unit Linked Regular Premium	To allow investors to select from a range of investments which are broadly suitable for their personal circumstances at any particular time.	To invest in insurance policies which provide investment options consistent with the investment objective.

## Investment option objectives and strategies

Investment Option	Investment Objective	Investment Strategy	Time Horizon	Risk/Volatility
<b>Assured Caution</b>	The option aims to provide some investment growth over the medium term from a portfolio that invests in a range of asset classes.	The option invests predominantly in defensive assets such as cash and fixed interest.	Medium term; 3 years+	Low
<b>Australian Shares</b>	The option aims to provide high investment growth over the long term from a portfolio of Australian shares.	The option invests in a range of Australian shares.	Long term; 5 years+	High
<b>Balanced Growth</b>	The option aims to provide moderate to high investment growth over the long term from a portfolio that invests in a range of asset classes.	The option invests in a range of asset classes, with a strong emphasis on growth assets such as shares and property.	Long term; 5 years+	Moderate
<b>Capital Assured</b>	The option aims to provide modest investment growth over the medium term from a portfolio that invests in a range of asset classes.	The option invests in a range of asset classes, with a strong emphasis on defensive assets such as cash and fixed interest.	Medium term; 3 years+	Low to moderate
<b>Capital Guaranteed</b>	The option aims to provide income over the short to medium term from a portfolio which invests entirely in defensive asset classes, such as cash and fixed interest.	The option invests predominantly in defensive assets with a strong emphasis on fixed income securities issued in Australia.	Short to medium term; 2 years	Low
<b>Cash</b>	The option aims to provide guaranteed returns over the short term from a portfolio which invests entirely in short-term securities and cash.	The option invests in short term securities and cash.	Short term; 1 year	Low
<b>Conservative Balanced</b>	The option aims to provide moderate investment growth over the medium to long term from a portfolio that invests in a range of asset classes.	The option invests in a range of asset classes, with a broadly equal weighting to growth and defensive assets.	Medium to long term; 3–5 years	Low to moderate
<b>Ethical Growth</b>	The option aims to provide high investment growth over the long term from a portfolio of Australian shares issued by companies that take into account the wider ethical, social and environmental issues in the community.	The option invests in a range of Australian shares issued by companies that take into account the wider ethical, social and environmental issues in the community.	Long term; 5 years+	High

# INVESTMENT INFORMATION

Investment Option	Investment Objective	Investment Strategy	Time Horizon	Risk/Volatility
<b>Growth Maximiser</b>	The option aims to provide high investment growth over the long term from a portfolio that invests in a range of asset classes.	The option invests predominantly in growth assets such as shares and property.	Long term; 5 years+	Moderate to high
<b>International Growth</b>	The option aims to provide high investment growth over the long term from a portfolio of international shares.	The option invests in a range of international shares.	Long term; 5 years+	High
<b>Property Plus</b>	The option aims to provide property returns over the long term from a portfolio of property securities.	The option invests in a range of property securities.	Long term; 5 years+	High
<b>Security Focus</b>	The option aims to provide modest investment growth over the medium term from a portfolio that invests in a range of asset classes.	The option invests in a range of asset classes, with a strong emphasis on defensive assets such as cash and fixed interest.	Medium term; 3 years+	Low to moderate
<b>Series C</b>	The option aims to provide moderate investment growth over the medium to long term from a portfolio that invests in a range of asset classes.	The option invests in a range of asset classes, with a broadly equal weighting to growth and defensive assets.	Medium to long term; 3–5 years	Moderate
<b>TOWER Bond Series 1, 2 and 3</b>	The option aims to provide moderate to high investment growth over the long term from a portfolio that invests in a range of asset classes.	The option invests in a range of asset classes, with a strong emphasis on growth assets such as shares and property.	Long term; 5 years+	Moderate

## Risk and volatility

Volatility can be simply defined as fluctuations in the returns of an investment and is the most common way to measure the risk associated with certain asset classes. An investment that is more volatile than another is said to be riskier. This is because the greater the volatility of an investment, the greater the chance that its return could be less than expected.

It is widely accepted that over long periods of time, a relationship exists between the risk and return of each investment option. Generally, the investment options with the potential for earning higher returns carry a higher risk (i.e. have higher volatility of returns).

If you would like details for each of the investment options available to you as a policyholder (including asset allocation benchmarks) contact a Customer Service Consultant or visit the website [www.toweraustralia.com.au](http://www.toweraustralia.com.au)

## Fees

We will provide you with at least 30 days notice before introducing any additional fee(s) or before any increases (other than CPI increases) to existing fees.

## Unit pricing for benefit payments

TOWER's current procedure is to calculate the withdrawal value using the latest available unit

price at the time of calculating the payment. Our current process has been updated and may differ from the benefit calculation procedure in your original product terms.

### Unit pricing errors and remediation

Unfortunately from time to time an error may occur in the calculation of a unit price. When an error has been identified, TOWER will remediate impacted customers as follows:

- For customers who are still current, we will adjust your records to ensure your investment is back to the position had the error not occurred
- Compensation for customers who have exited will only be paid where the amount of compensation is at least \$20. For amounts less than \$20, these amounts will remain in the statutory fund
- For customers who have exited and were overpaid, we reserve the right to recover any overpaid amount.

### Processing of contributions and withdrawals

TOWER reserves the right to suspend the processing of all contributions or withdrawals under certain market conditions or circumstances if in TOWER's opinion, to continue processing would not be in the best interests of customers.

Please note that before you withdraw a benefit you can ask us for any assistance or information on anything you are unsure of, including benefits, fees and charges, or the possible effects of withdrawing your benefit.

### Controls imposed by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (the 'AML/CTF Act')

This legislation is aimed at implementing controls to limit or prevent activities relating to money laundering and terrorism

financing. These controls are documented within the TOWER AML Program and include the following:

1. Record keeping obligations
2. Know your customer obligations including the requirement to identify and verify the identity of customers and their beneficiaries
3. Ongoing customer due diligence
4. Monitoring of transactions
5. Suspicious matter reporting mechanisms
6. International funds transfer reporting requirements.

To comply with these obligations we may need to carry out procedures to identify you or, in the event of death, your beneficiaries. We may need to verify the identification information provided to confirm its authenticity. We cannot process withdrawal requests (including claims, redemptions and transfers) until we receive all information required.

In some circumstances we may need to report certain information about our customers to relevant authorities, including the Australian Transaction Reports and Analysis Centre (AUSTRAC). Where such reporting has taken place, we may be prevented by this legislation from telling you. Where legally permitted or obliged to do so, we may disclose that information to regulatory or law enforcement agencies, to our related bodies corporate, or to other third parties. The AUSTRAC website at [www.austrac.gov.au](http://www.austrac.gov.au) provides information relating to the AML/CTF Act. We will not be liable to you for any loss you suffer (including consequential loss) caused by the fact that we are required by law to delay, block, freeze or refuse to process a transaction.

To assist us to keep in touch with you, please notify us of any change of either your name, or your address.

# ENQUIRIES AND FURTHER INFORMATION

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## Enquiries

At TOWER we set ourselves high standards of customer service. If you have any questions about your TOWER product, please contact us in one of the following ways:

- Contact a Customer Service Consultant on 1800 226 364 Monday – Friday 8:30am-6:00pm (EST)
- Email us at [customerservice@toweraustralia.com.au](mailto:customerservice@toweraustralia.com.au) quoting your policy number; or
- Write to us at the following address quoting your policy number

TOWER Australia Limited  
PO Box 142  
Milsons Point NSW 1565

## Complaints

If you have a complaint about your policy, please put it in writing and send it to the following address:

TOWER Complaints Manager  
TOWER Australia Limited  
PO Box 142  
Milsons Point NSW 1565

If your complaint has not been resolved to your satisfaction within 45 days of lodging your complaint, you may refer your complaint in writing to the Financial Ombudsman Service (FOS), at the following address:

Financial Ombudsman Service  
GPO Box 3  
MELBOURNE VIC 3001  
Call 1300 780 808  
Email [info@fos.org.au](mailto:info@fos.org.au)  
Website [www.fos.org.au](http://www.fos.org.au)

FOS is an independent body designed to help you resolve complaints relating to your TOWER product as well as complaints relating to financial advice and sales of financial and investment products. Complaints with FOS may be resolved by a conciliation process or arbitration. This complaints procedure is free of charge.

## Disclaimer

TOWER Australia Limited (nor any of its related bodies corporate and their respective directors and associates) does not guarantee any particular rate of return, or the repayment of capital or income, or the performance of any of the products or funds referred to in this report unless otherwise stated.

The information contained in the Investment Update is general information only. It does not take into account your individual investment objectives, financial situation or particular needs. You should obtain your own advice from a Financial Adviser with respect to your own individual investment objectives, financial situation and particular needs.



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